

SENATE BILL 555

By Powers

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 69, relative to tourism development.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-69-102(c)(4), is amended by deleting the subdivision and substituting:

(4) "Project" means a facility or group of facilities to be owned or controlled (either through ownership, lease, or an easement) by the authority or other governmental entity and that is available for use by the public, including, without limitation, visitor centers, performing arts centers, museums, recreational facilities such as greenways and trails, and other government-owned tourist attractions; provided, that the authority must determine that any such project promotes tourism or local participation in the municipality or municipalities creating the authority; and

SECTION 2. Tennessee Code Annotated, Section 7-69-103(a)(14), is amended by deleting the subdivision and substituting:

(14) Borrow money from time to time and, in evidence of any obligation incurred, issue and, pursuant to § 7-69-111, sell its revenue bonds in accordance with this chapter and the applicable provisions of title 9, chapter 21, in such form and upon such terms as its board of directors may determine and as approved by each governing body of a creating municipality, payable out of any revenues of the authority, including grants or contributions or other revenues specifically provided to the authority, for the purpose of financing the cost of any project and refund and

refinance, from time to time, bonds so issued and sold, as often as may be deemed to be advantageous by the board of directors; and, pending the issuance of its revenue bonds for the purposes authorized in this chapter, issue its interim certificates or notes or other temporary obligations;

SECTION 3. Tennessee Code Annotated, Section 7-69-111(e)(1), is amended by deleting the subdivision and substituting:

(1)

(A) All bonds issued by the authority are payable solely out of the revenues of the authority, as may be designated by its board of directors, including tax revenues and revenues granted, contributed, or pledged by the municipality to or for the benefit of the authority derived from any source, except revenues derived from ad valorem property taxes.

(B) Prior to any action authorizing a municipality to pledge its revenues to an authority for the issuance of bonds under this part, the creating municipality shall submit a request to the comptroller of the treasury or the comptroller's designee for approval of the pledged security.

(C) In order to obtain such approval, the local government shall submit to the comptroller of the treasury or the comptroller's designee a copy of:

(i) The proposed resolution or resolution authorizing the bonds or notes;

(ii) The proposed disclosure statement, if any;

(iii) A statement showing the estimated annual principal and interest requirements for the bonds or notes;

(iv) A detailed statement showing the estimated cost of issuance, which must include all amounts that the authority would be required to report under § 9-21-134;

(v) A list of the projects to be financed; and

(vi) Any other information deemed pertinent to the bond or note issued by the authority.

(D) The comptroller of the treasury or the comptroller's designee shall notify the authority of the comptroller of the treasury's or the comptroller's designee's approval or disapproval within ten (10) days from the date that all required information is received by the comptroller of the treasury or the comptroller's designee. If the comptroller of the treasury or the comptroller's designee approves a sale for the bonds or notes, or if the comptroller of the treasury or the comptroller's designee fails to act within such time, then the authority may proceed to sell the bonds or notes in that manner.

SECTION 4. Tennessee Code Annotated, Section 7-69-113, is amended by deleting the section and substituting:

A municipality is authorized to aid or otherwise provide assistance to the authority, including entering into leases of projects, or parts of projects with an authority, for such term or terms and upon such conditions as may be determined by the governing body of such municipality, notwithstanding and without regard to the restrictions, prohibitions, or requirements of any other law, whether public or private, or granting, contributing, or pledging revenues of the municipality to or for the benefit of the authority derived from any source; provided, that the municipality shall not grant, contribute, or pledge revenues

derived from ad valorem property taxes as payment of or collateral for any revenue bonds of the authority.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.